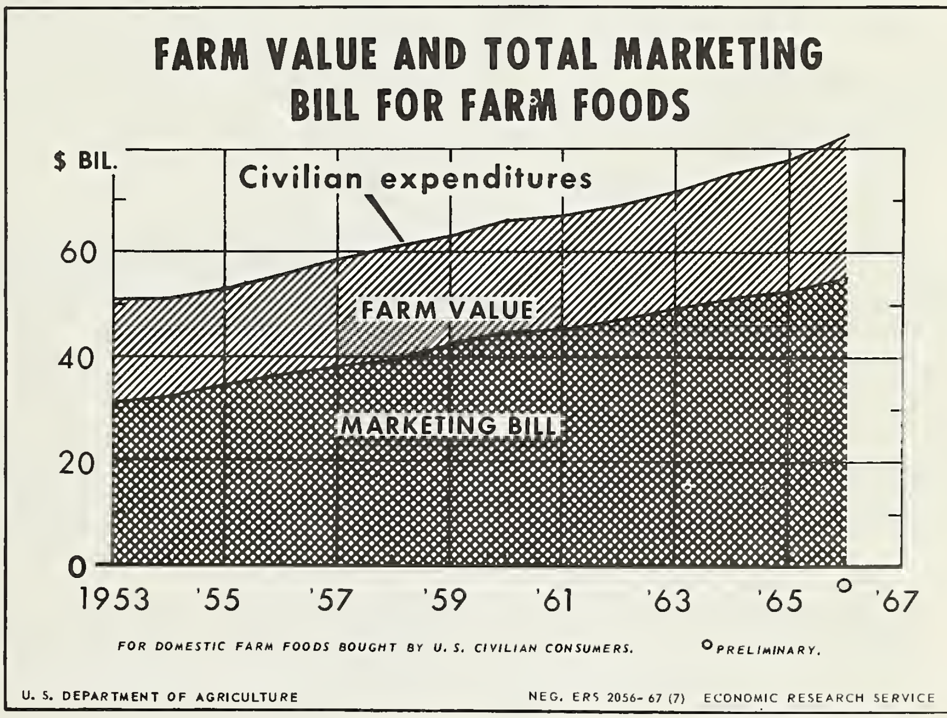
MARKETING and TRANSPORTATION SITUATION

MTS-166 For P.M. Release, August 11, 1967

The bill for marketing domestic farm-originated food products to civilian consumers in this country amounted to $55.3 billion in 1966--6 percent more than in 1965. Rising marketing costs per unit of product accounted for most of the increase, and growth in the volume of products for the remainder. Consumers spent $83.4 billion for these foods--7 percent more than in 1965. Returns to farmers totaled $28.1 billion--almost 10 percent more than in 1965. Increases in 1966 were larger than usual, particularly in the farm value.



IN THIS ISSUE

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STATISTICAL SUMMARY OF MARKET INFORMATION

Item	Unit or base period	1966 Year	1966 Apr.-June	1966 Oct.-Dec.	1967 Jan.-Mar.	1967 Apr.-June
Farm-to-retail price spreads						
Farm-food market basket: 1/						
Retail cost	Dol.	1,100	1,095	1,103	1,084	1,078
Farm value	Dol.	442	439	425	414	407
Farm-retail spread	Dol.	658	656	678	670	671
Farmer's share of retail cost	Pct.	40	40	39	38	38
Cotton: 2/						
Retail cost	Dol.	2.21	2.21	2.24	2.22	2.26
Farm value	Dol.	3/.25	.29	3/.21	3/.21	3/.22
Farm-retail spread 4/	Dol.	1.96	1.92	2.03	2.01	2.04
Farmer's share of retail cost	Pct.	11	13	9	9	10
Cigarettes: 5/						
Retail cost	Ct.	---	---	---	---	---
Farm value	Ct.	---	---	---	---	---
Federal and State excise taxes	Ct.	---	---	---	---	---
Farm-retail spread excluding excise taxes	Ct.	---	---	---	---	---
Farmer's share of retail cost	Pct.	---	---	---	---	---
General economic indicators						
Consumers' per capita income and expenditures: 6/						
Disposable personal income	Dol.	2,584	2,560	2,639	2,686	2,717
Expenditures for goods and services	Dol.	2,366	2,348	2,395	2,421	2,459
Expenditures for food	Dol.	472	474	473	480	432
Expenditures for food as percentage of disposable income	Pct.	18.3	18.5	17.9	17.9	17.8

Item	Unit or base period	1966 Year	1966 June	1967 April	1967 May	1967 June
Hourly earnings, production workers, manufacturing 7/	Dol.	2.71	2.71	2.80	2.81	2.81
Hourly earnings of food marketing employees 8/	Dol.	2.39	2.40	2.51	2.51	----
Retail sales: 9/						
Food stores	Mil. dol.	5,927	5,975	5,985	5,984	----
Apparel stores	Mil. dol.	1,440	1,460	1,585	1,508	----
Manufacturers' inventories: 9/						
Food and kindred products	Mil. dol.	6,394	6,503	6,756	6,737	6,657
Textile mill products	Mil. dol.	3,333	3,248	3,372	3,338	3,366
Tobacco products	Mil. dol.	2,343	2,383	2,383	2,377	2,375
Indexes of industrial production: 10/						
Food manufactures	1957-59=100	126.6	125.5	130.1	129.0	----
Textile mill products	1957-59=100	142.3	144.0	135.0	135.0	----
Apparel products	1957-59=100	150.3	152.0	141.9	----	----
Tobacco products	1957-59=100	119.8	122.7	128.8	----	----
Index of physical volume of farm marketings	1957-59=100	121	107	91	93	----
Price indexes						
Consumer price index 7/	1957-59=100	113.1	112.9	115.3	115.6	116.0
Wholesale prices of food 11/	1957-59=100	110.7	109.0	106.4	107.8	110.3
Wholesale prices of cotton products 7/	1957-59=100	102.5	102.8	100.8	100.3	99.7
Wholesale prices of woolen products 7/	1957-59=100	106.0	106.5	102.9	103.1	103.2
Prices received by farmers	1957-59=100	110	109	102	104	105
Prices paid by farmers, interest, taxes, and wage rates	1957-59=100	114	114	116	117	117

1/ Contains average quantities of farm-originated foods purchased annually per household in 1960/61 by wage-earner and clerical-worker families and single workers living alone. Estimates of the farmer's share do not allow for direct Federal payments to producers, except for the value of wheat marketing certificates. 2/ Data for average family purchases in 1950 of 25 articles of cotton clothing and housefurnishings divided by number of pounds of lint cotton required for their manufacture; see U.S. Dept. Agr. Mktg. Res. Rpt. 277. 3/ Farm value does not include direct payment to farmers. 4/ The farm-retail spread does not include value of payments-in-kind certificates made to domestic users of eligible U.S. raw upland cotton. This value amounted to 6.5 cents per pound of raw cotton from April 1964 through July 1965 and 5.7 cents from August 1965 through July 1966. Beginning in August 1966, certificates were discontinued and support prices of raw cotton were reduced. 5/ Data for cigarettes will not be published until revisions are completed. 6/ Seasonally adjusted annual rates, calculated from Dept. of Commerce data. Percentages have been calculated from total income and expenditure data. 7/ Dept. Labor. 8/ Weighted composite earnings in food processing, wholesale trade, retail food stores, calculated from data of Dept. Labor. 9/ Seasonally adjusted, Dept. Commerce. Sales data for 1966 are averages of monthly totals (unadjusted). Inventory data for 1966 are book values at end of year (adjusted). 10/ Seasonally adjusted, Board of Governors of Federal Reserve System. Index for food manufacturers substituted for previously published index for food and beverage manufacturers. 11/ Fresh and dried fruits and vegetables, eggs, and processed foods; Dept. Labor.

THE MARKETING AND TRANSPORTATION SITUATION

Approved by the Outlook and Situation Board, August 3, 1967

CONTENTS

SUMMARY

The retail cost of the market basket of farm-originated foods averaged slightly lower in the second quarter this year than in the first quarter, although prices rose sharply from May to June. Lower prices for eggs, meat, and several other products in the second quarter more than offset higher prices for lettuce and several other vegetables and fruits. The retail cost of the market basket averaged about 1½ percent lower in the second quarter this year than a year earlier.

Returns to farmers from the products in the market basket declined for the fourth consecutive quarter and averaged about 2 percent lower in April-June than in the preceding quarter. Sharply lower prices received by farmers for frying chickens, eggs, and oranges contributed most to the decline. The farm value of the market basket in the second quarter averaged 7 percent below a year earlier.

The spread between the retail cost and farm value of the market basket averaged about the same in the first and second quarters this year. Spreads in the second quarter averaged 2 percent wider than in April-June 1966, but were smaller than the record established in October-December 1966.

Farmers received an average of 38 cents of the dollar consumers spent for farm-food products in the second quarter--the same amount as in the preceding quarter, but 2 cents less than a year earlier.

The retail cost of the market basket of farm foods is expected to rise moderately in the second half of this year--to near the year-earlier record level. The farm value of these foods is also expected to rise, but probably will average below the value in the second half of 1966. Small increases in spreads are anticipated.

Consumer expenditures for food in the second quarter this year averaged $482 per person (seasonally adjusted annual rate), about the same as the preceding quarter but almost 2 percent higher than in the second quarter of 1966.

Consumers on the average spent 17.8 percent of their income for food in the second quarter, 1967, compared with 18.5 percent in the second quarter last year.

Special Articles

The Bill for Marketing Farm-Food Products, p. 12: The bill for marketing farm-originated food products to U.S. civilian consumers increased again in 1966, as it has each year since 1950. It totaled $55.3 billion last year--6 percent more than in 1965. This increase compares with an average annual increase of 4 percent during 1956-65. Rising unit marketing charges accounted for most of the growth in the marketing bill from 1965 to 1966. Part of the rise in the average unit marketing charge resulted from an increase in marketing services per unit of product--particularly from more frequent away-from-home eating. An expanding volume of products marketed also accounted for part of the increase in the marketing bill.

Civilian consumers spent $83.4 billion for farm foods last year--7 percent more than in 1965. Returns to farmers from these foods amounted to $28.1 billion--10 percent more than in 1965.

Costs of labor made up 42 percent of the marketing bill last year compared with 43 percent in 1965 and in 1957-59. Corporate profits after taxes accounted for 2.9 percent last year and in 1965, and 2.3 percent in 1957-59.

Hourly earnings of labor engaged in marketing farm food products averaged 39 percent higher in 1966 than in 1957-59, but improvements in productivity held the increase in labor cost per unit of product to 14 percent.

Synthetic Substitutes in Agricultural Markets, p. 21: Synthetic products derived from nonagricultural raw materials have made significant gains in traditional agricultural markets. In the 6 markets used for illustration, the annual percentage rate of growth for the total market and for synthetics was greater than the rate of growth for agricultural products. Thus agriculture's share of each market declined. Significant declines in agriculture's market share occurred in the fibers, soap, ethyl alcohol, and glycerin markets. Changes in consumer preferences, incomes, and technological developments are primarily responsible for the differences in the growth of agricultural and synthetic products. Nonfood agricultural products appear to be faced with the greatest competition from synthetics. The trend in these markets is to use materials having relatively stable supply and price structures, specialized functional characteristics, and specific chemical and physical characteristics. Indications are that agricultural industries must develop new products and processing techniques to more effectively compete with synthetics in the future.

The Marketing and Transportation Situation is published in February, May, August, and November.
The next issue is scheduled for release on November 13, 1967

FARM-FOOD MARKET BASKET STATISTICS

Retail Cost Down Slightly From First Quarter

Despite a significant rise in retail prices from May to June, the retail cost of the market basket of farm-originated food in the second quarter averaged slightly lower than in the previous quarter (tables 1 and 2). 1/ The second-quarter average of $1,078 (annual rate) was down about 1 percent from the first quarter of this year. Eggs alone accounted for most of the decline. Higher retail costs for fresh fruits and vegetables were offset by lower costs for most of the other product groups.

Compared with the second quarter of last year, the retail cost of the market basket averaged about 1½ percent lower in the same quarter this year. Lower prices for meat products, poultry, and eggs contributed most to the decline in retail cost and more than offset the effect of higher prices for dairy products and bakery and cereal products.

Farm Value Decreased In Second Quarter

For the fourth consecutive quarter, the farm value of the market basket of farm foods declined in the second quarter this year, although it rose sharply from May to June. It averaged $407 (annual rate), down about 2 percent from the previous quarter (table 1). Sharply lower prices received by farmers for eggs, frying chickens, and oranges contributed most to the decline (table 19, p. 32).

The farm value of foods in the market basket in April-June 1967 averaged about 7 percent below a year earlier. Although meat products accounted for much of the drop, farm values for poultry, eggs, and fresh and processed fruits and vegetables also declined significantly. These declines were partly offset by a rise in prices received by farmers for milk.

Marketing Spread Unchanged In Second Quarter

Although prices declined at both farm and retail levels in the second quarter, the spread between the retail cost and the farm value of the market basket foods averaged about the same as in the first quarter. The spreads for meat products and fats and oils decreased and about offset an increase in the spreads for poultry and fresh fruits and vegetables (table 1). Changes in spreads for other product groups were minor.

Spreads for most items included in the market basket increased in the past year (table 20,p. 33). The total spread for the market basket in the second quarter averaged 2 percent wider than in the same quarter last year. However, the April-June spread averaged about 1 percent smaller than the record established in last year's fourth quarter.

1/ The market basket of farm foods contains the average quantities of domestic farm-originated food products purchased annually per household in 1960 and 1961 by wage-earner and clerical-worker families and single workers living alone. Its retail value is calculated from retail prices collected by the Bureau of Labor Statistics. Since the market basket does not contain imported foods or fishery products and other foods of nonfarm origin or the cost of meals in eating places, its retail cost is less than the cost of all foods bought per family. The farm value is the return to farmers for the farm products equivalent to foods in the market basket. The farm-retail spread is the difference between the retail cost and farm value. It is an estimate of total gross margin received by marketing firms for assembling, processing, transporting, and distributing the products in the market basket.

Table 1.--The market basket of farm foods: Retail cost, farm value, and farm-retail spread, April-June 1967, January-March 1967, and April-June 1966

Items	Apr.-June 1967 1/	Jan.-Mar. 1967	Apr.-June 1966	Change: Apr.-June 1967 from Jan.- Mar. 1967		Change: Apr.-June 1967 from Apr.-June 1966	
	Dol.	Dol.	Dol.	Dol.	Pct.	Dol.	Pct.
	Retail cost 2/						
Market basket	1,078.04	1,084.04	1,095.17	-6.00	-1	-17.13	-2
Meat products	313.24	314.88	330.90	-1.64	-1	-17.66	-5
Dairy products	196.46	197.33	186.12	-.87	3/	10.34	6
Poultry	46.14	46.33	51.06	-.19	3/	-4.92	-10
Eggs	33.69	39.54	40.02	-5.85	-15	-6.33	-16
Bakery and cereal products	171.07	171.16	164.71	-.09	3/	6.36	4
Fresh fruits	43.62	41.45	45.46	2.17	5	-1.84	-4
Fresh vegetables	70.10	67.78	71.13	2.32	3	-1.03	-1
Processed fruits and vegetables	116.17	117.59	119.50	-1.42	-1	-3.33	-3
Fats and oils	39.33	39.90	38.87	-.57	-1	.46	1
Miscellaneous products	48.22	48.08	47.40	.14	3/	.82	2
	Farm value 4/						
Market basket	407.32	413.80	439.02	-6.48	-2	-31.70	-7
Meat products	162.21	160.54	181.01	1.67	1	-18.80	-10
Dairy products	92.40	92.79	85.34	-.39	3/	7.06	8
Poultry	22.52	24.24	26.97	-1.72	-7	-4.45	-16
Eggs	18.48	24.63	24.95	-6.15	-25	-6.47	-26
Bakery and cereal products	35.95	36.24	35.89	-.29	-1	.06	3/
Fresh fruits	12.56	11.22	15.68	1.34	12	-3.12	-20
Fresh vegetables	22.57	22.07	23.95	.50	2	-1.38	-6
Processed fruits and vegetables	20.31	21.82	24.37	-1.51	-7	-4.06	-17
Fats and oils	11.44	11.35	12.06	.09	1	-.62	-5
Miscellaneous products	8.88	8.90	8.80	-.02	3/	.08	1
	Farm-retail spread						
Market basket	670.72	670.24	656.15	.48	3/	14.57	2
Meat products	151.03	154.34	149.89	-3.31	-2	1.14	1
Dairy products	104.06	104.54	100.78	-.48	3/	3.28	3
Poultry	23.62	22.09	24.09	1.53	7	-.47	-2
Eggs	15.21	14.91	15.07	.30	2	.14	1
Bakery and cereal products	135.12	134.92	128.82	.20	3/	6.30	5
Fresh fruits	31.06	30.23	29.78	.83	3	1.28	4
Fresh vegetables	47.53	45.71	47.18	1.82	4	.35	1
Processed fruits and vegetables	95.86	95.77	95.13	.09	3/	.73	1
Fats and oils	27.89	28.55	26.81	-.66	-2	1.08	4
Miscellaneous products	39.34	39.18	38.60	.16	3/	.74	2

1/ Preliminary.
2/ Retail cost of average quantities purchased annually per household in 1960-61 by urban wage-earner and clerical-worker families and single workers living alone, calculated from retail prices collected by the Bureau of Labor Statistics.
3/ Less than 0.5 percent.
4/ Payments to farmers for equivalent quantities of farm products minus imputed value of byproducts obtained in processing.

Table 2.--The market basket of farm foods: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, averages 1947-49 and 1957-59, annual 1956-66, by months 1966/67 1/

Year and month	Retail cost	Farm value	Farm-retail spread	Farmer's share
	Dollars	Dollars	Dollars	Percent
1947-49 average	890	441	449	50
1956	920	369	551	40
1957	953	380	573	40
1958	1,009	407	602	40
1959	985	377	608	38
1957-59 average	983	388	595	39
1960	991	383	608	39
1961	997	380	617	38
1962	1,006	384	622	38
1963	1,013	374	639	37
1964	1,014	374	640	37
1965	1,041	408	633	39
1966 2/	1,100	442	658	40
1966 3/				
January	1,073	440	633	41
February	1,095	459	636	42
March	1,103	460	643	42
April	1,100	447	653	41
May	1,092	434	658	40
June	1,094	436	658	40
July	1,099	446	653	41
August	1,121	461	660	41
September	1,117	453	664	41
October	1,114	435	679	39
November	1,100	421	679	38
December	1,097	419	678	38
1967 3/				
January	1,091	418	673	38
February	1,083	413	670	38
March	1,078	411	667	38
April	1,071	399	672	37
May	1,072	399	673	37
June 2/	1,091	424	667	39

1/ Data for earlier years are published in Farm-Retail Spreads for Food Products 1947-64, ERS-226, April 1965.
2/ Preliminary.
3/ Monthly data are annual rates.

Farmer's Share Averages 38 Cents

In the second quarter this year, farmers received an average of 38 cents of the dollar consumers spent for domestic farm foods in retail food stores. This was the same share as in the previous quarter, but 2 cents less than a year earlier. The farmer's share has averaged 38 or 39 cents for about half of the quarters during the past 10 years.

How Some Commodities Fared:

Beef: The farm value and the retail price of Choice beef in the second quarter were little changed from the first quarter; consequently, the farm-retail spread also remained about the same (table 3). However, prices in the second quarter at both the farm and retail levels were lower than a year earlier and the spread widened slightly. The increase in the spread was entirely in the farm-wholesale segment, as the wholesale-retail segment declined. Commercial production of beef showed a 7 percent increase from April-June 1966.

Pork: The farm value for pork averaged 33.6 cents per retail pound in the second quarter of this year--up 0.3 cent from the previous quarter but down 6.3 cents from a year earlier (table 3). Retail pork prices averaged 66.1 cents--0.9 cent below the previous quarter and 6.3 cents below a year ago. The farm-retail spread, which averaged 32.5 cents in the second quarter, was 1.2 cents narrower than in the previous quarter but the same as in April-June 1966. Both the wholesale-retail and farm-wholesale segments of the spread decreased from the January-March average; however, both segments averaged about the same as a year earlier. Commercial pork production was about 9 percent larger in April-June this year than in the same period of 1966.

Eggs: The retail price for Grade A large eggs averaged 46.7 cents per dozen--down 8.1 cents from the first quarter and 8.8 cents lower than a year before. The farm value dropped by about the same amounts. Therefore, the farm-retail spread changed little. Price decreases in the second quarter, which were greater than seasonal, were influenced by sharply increased production.

Lettuce: Rainy weather in April delayed lettuce planting in the Salinas Valley of California and contributed to the short supply of lettuce marketed in June. Consequently, retail prices of lettuce averaged 30.4 cents per head in the second quarter--7.3 cents above the previous quarter. The farm value of lettuce rose to 12.5 cents in the second quarter--up 5.7 cents from the first quarter. The marketing spread averaged 17.9 cents--1.6 cents wider in the second quarter than in the previous quarter.

Outlook for Remainder of 1967

The retail cost of the market basket of farm foods is expected to rise moderately during the remainder of this year, and probably will average around the record level reached during the last half of 1966. The farm value of these foods is also expected to rise in the second half of 1967, but will probably average below the year-earlier level. Small increases in the spread are anticipated.

CONSUMER INCOME AND EXPENDITURES

Personal disposable income rose to $2,717 per person (seasonally adjusted annual rate) in the second quarter this year. It averaged about 1 percent higher than in the preceding quarter and 6 percent higher than in April-June 1966 (table 4). In constant dollars, the second quarter increase was also higher, averaging almost 1 percent more than in the first quarter and 4 percent more than a year earlier.

Table 3.--Beef, pork, and lamb: Retail price, wholesale value, farm value, farm-retail spread, and farmer's share of retail price, annual 1964-66, by quarters, 1966/67

Date	Retail price per pound 1/	Wholesale value 2/	Gross farm value 3/	Byproduct allowance 4/	Net farm value 5/	Farm-retail spread			Farmer's share
						Total	Wholesale-retail	Farm-wholesale	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent
					Beef, (Choice grade)				
1964	77.8	53.8	46.6	4.2	42.4	35.4	24.0	11.4	54
1965	81.6	57.6	51.6	4.8	46.8	34.8	24.0	10.8	57
1966	84.6	58.9	55.6	6.0	49.6	35.0	25.7	9.3	59
1966									
Jan.-Mar.	84.6	60.6	57.3	6.0	51.3	33.3	24.0	9.3	61
Apr.-June	85.5	59.9	57.1	6.3	50.8	34.7	25.6	9.1	59
July-Sept.	84.4	58.2	55.1	6.1	49.0	35.4	26.2	9.2	58
Oct.-Dec.	83.9	56.8	52.5	5.4	47.1	36.8	27.1	9.7	56
1967									
Jan.-Mar.	83.4	57.2	53.3	5.3	48.0	35.4	26.2	9.2	58
Apr.-June	83.0	58.2	53.0	5.0	48.0	35.0	24.8	10.2	58
July-Sept.									
Oct.-Dec.									
					Pork				
1964	56.4	40.0	30.7	4.0	26.7	29.7	16.4	13.3	47
1965	64.2	49.5	42.1	5.5	36.6	27.6	14.7	12.9	57
1966	73.6	55.0	47.5	6.4	41.1	32.5	18.6	13.9	56
1966									
Jan.-Mar.	78.1	59.6	53.3	7.0	46.3	31.8	18.5	13.3	59
Apr.-June	72.4	53.7	46.3	6.4	39.9	32.5	18.7	13.8	55
July-Sept.	73.6	55.6	49.7	6.5	43.2	30.4	18.0	12.4	59
Oct.-Dec.	70.2	51.2	41.1	5.6	35.5	34.7	19.0	15.7	51
1967									
Jan.-Mar.	67.0	47.6	38.3	5.0	33.3	33.7	19.4	14.3	50
Apr.-June	66.1	47.1	38.5	4.9	33.6	32.5	19.0	13.5	51
July-Sept.									
Oct.-Dec.									
					Lamb, (Choice grade)				
1964	73.6	52.5	46.8	7.1	39.7	33.9	21.1	12.8	54
1965	79.5	58.4	53.4	8.0	45.4	34.1	21.1	13.0	57
1966	86.4	59.8	55.4	8.4	47.0	39.4	26.6	12.8	54
1966									
Jan.-Mar.	85.7	65.0	61.0	9.9	51.1	34.6	20.7	13.9	60
Apr.-June	86.9	60.5	55.9	9.2	46.7	40.2	26.4	13.8	54
July-Sept.	86.9	56.8	53.3	8.1	45.2	41.7	30.1	11.6	52
Oct.-Dec.	86.0	57.0	51.7	6.4	45.3	40.7	29.0	11.7	53
1967									
Jan.-Mar.	84.5	55.8	48.9	6.3	42.6	41.9	28.7	13.2	50
Apr.-June	86.5	62.1	54.9	6.2	48.7	37.8	24.4	13.4	56
July-Sept.									
Oct.-Dec.									

1/ Estimated weighted average price of retail cuts.
2/ Wholesale value of quantity of carcass equivalent to 1 lb. of retail cuts: Beef, 1.35 lb.; pork, 1.00 lb.; lamb, 1.14 lb.
3/ Payment to farmer for quantity of live animal equivalent to 1 lb. of retail cuts: Beef, 2.25 lb.; pork, 2.00 lb.; lamb, quantity varies by months from 2.33 lb. in April to 2.38 lb. in October.
4/ Portion of gross farm value attributed to edible and inedible byproduct.
5/ Gross farm value minus byproduct allowance.

Table 4.--Per capita income and expenditures for food and other goods and services, United States, annual 1956-66 and quarterly 1966/67 1/

Year	Disposable personal income	Personal consumption expenditures: Food: Actual	Food: Percentage of disposable income 2/	Other goods and services: Actual	Other goods and services: Percentage of disposable income 2/
	Dollars	Dollars	Percent	Dollars	Percent
1956	1,743	359	20.6	1,226	70.3
1957	1,801	373	20.7	1,270	70.5
1958	1,831	382	20.9	1,284	70.1
1959	1,905	386	20.3	1,372	72.0
1960	1,937	388	20.0	1,412	72.9
1961	1,983	392	19.8	1,432	72.2
1962	2,064	399	19.3	1,503	72.9
1963	2,136	404	18.9	1,576	73.8
1964	2,280	419	18.4	1,669	73.2
1965	2,427	442	18.2	1,784	73.5
1966	2,584	472	18.3	1,894	73.3
	Annual rates, seasonally adjusted				
1966					
Jan.-Mar.	2,537	467	18.4	1,870	73.7
Apr.-June	2,560	474	18.5	1,874	73.2
July-Sept.	2,598	475	18.3	1,909	73.5
Oct.-Dec.	2,639	473	17.9	1,922	72.9
1967					
Jan.-Mar.	2,686	480	17.9	1,941	72.3
Apr.-June	2,717	482	17.8	1,977	72.8

1/ Per capita income and expenditures for food, 1929-55, published in the February 1966 issue of The Marketing and Transportation Situation (MTS-160).
2/ Percentages calculated from total disposable income and expenditures.

Compiled from estimates published by the Office of Business Economics, National Income Division, Department of Commerce.

Consumer expenditures for goods and services (seasonally adjusted annual rate) averaged $2,459 per person in the second quarter this year, up about 2 percent from the first quarter, and 5 percent more than a year earlier. Personal savings amounted to $187 per capita in the second quarter. Although down slightly from the previous quarter, savings averaged 28 percent more than in the second quarter last year.

Expenditures for Food

Expenditures for food in the second quarter this year rose to a seasonally adjusted annual rate of $482 per person compared with $480 in the previous quarter and $474 in the second quarter of 1966 (table 4). These expenditures include those for farm foods,

as well as imported foods, nonfarm foods, and foods in away-from-home eating places. Prices consumers paid for these foods averaged slightly higher in the second quarter this year than a year earlier. Expenditures for food accounted for 17.8 percent of consumer disposable income compared with 18.5 percent in the second quarter of 1966.

Consumers spent an average of $472 for food in 1966 compared with $442 in 1965--an increase of 7 percent. Price increases accounted for much of this rise. Per capita expenditures for food in 1966 were 31 percent higher than a decade earlier. Prices of all food increased 21 percent during this 10-year period. Part of the rise in expenditures resulted from consumers substituting relatively expensive foods for cheaper foods and purchasing more marketing services with their food.

During the past 10 years, expenditures per person for food did not increase as much as per capita disposable income. Thus, the percentage of income spent for food declined from 20.6 percent in 1956 to 18.3 last year.

Consumer expenditures for goods and services other than food amounted to $1,894 in 1966, up 54 percent from 1956 (table 4). Unlike spending for food, these expenditures increased more than disposable income. Expenditures for other goods and services increased from 70 percent of disposable income in 1956 to 73 percent in 1966. Prices of these goods and services rose 19 percent, or less than half of the rise in per capita expenditures.

Expenditures for clothing and shoes averaged $205 per person in 1966, up 10 percent from 1965. These expenditures accounted for 8 percent of disposable income in both years and also in 1956. Consumers spent about $45 per person for tobacco in 1966, up $2 from 1965. Expenditures for tobacco have taken approximately 2 percent of consumers' disposable income in each year since World War II.

ICC AUTHORIZES GENERAL RAIL RATE INCREASE

On August 1, 1967, after finding that the present level of rates ". . . is clearly inadequate to provide the carriers with sufficient revenue, . . ." the Interstate Commerce Commission authorized most of the general rate increases--including increases for nearly all agricultural commodities and products--recently proposed by the railroad industry. The increased rates will take effect 10 days after filing of a master tariff by the railroads.

Unlike the last general rate increase, which took place in 1960, the Commission did not give final approval to the higher rates. All increases authorized in the interim report will remain under investigation by the Commission. Hearings will commence on October 3, 1967. In the event that a specific rate increase does not receive final approval, the railroad involved will be required to refund the difference between the increased rate and the old rate with 4 percent interest.

The maximum increase authorized is 3 cents or less per one hundred pounds. No increase was allowed for some commodities in the South East. The Commission refused to allow South Eastern carriers to establish a transit charge where no charge for transit now exists.

THE BILL FOR MARKETING FARM-FOOD PRODUCTS

Civilian consumers spent $83.4 billion for domestic farm-originated foods last year--7 percent more than in 1965 (table 5). Returns to farmers from these products rose to $28.1 billion--up 10 percent from 1965. The bill for marketing these products increased 6 percent to $55.3 billion. 1/ Increases in 1966 were larger than usual, particularly in the farm value.

Rising prices in 1966 accounted for most of the increase in the cost of these products to consumers and for most of the increase in their farm value (returns to farmers), since the volume of products marketed increased only 1 percent. Rising marketing charges per unit of product accounted for most of the increase in the marketing bill. An increase in the proportion of the total volume of food moving through away-from-home eating places accounted for part of the increase in the average unit marketing charge. Total sales of away-from-home eating places in constant dollars were 6 percent higher in 1966 than in 1965.

Civilian expenditures for domestic farm-originated products bought by civilian consumers have risen each year since 1949, and the marketing bill has increased each year since 1950. Decreases in farm prices, however, caused the farm value to decline in several years during this period, although the volume of products increased. During the preceding decade, the average annual increase was 3.9 percent in consumer expenditures, 3.2 percent in farm value, and 4.5 percent in the marketing bill.

It is estimated that approximately 51 percent of the increase in the marketing bill since 1957-59 has resulted from an expansion of 18 percent in the volume of food products marketed to civilian consumers. The residential civilian population in the 48 contiguous States increased 12 percent during this period. Marketings increased by a larger percentage than population, mainly because movement of farm people to urban areas increased the dependence of the population on purchased food products. Rising cost rates--wages, rents, depreciation, etc.--and higher profits per unit of product have accounted for 31 percent of the increase in the food marketing bill since 1957-59. The remaining 18 percent is attributed to increases in marketing services per unit of product marketed. Increased services include more meals eaten away-from-home, continued transfer of food preparation from homes to processing plants, and more transportation and packaging.

Marketing Bill Increases for Most Product Groups in 1966

Total marketing charges for 5 of the 7 product groups increased in 1966. Increases ranged from 4 percent for bakery products to 12 percent for poultry and eggs (table 6). The volume of poultry marketed increased about 7 percent. The marketing bill for fruits and vegetables, the largest bill for any of the product groups, increased 7 percent. Two product groups--grain mill products and dairy products--showed no significant change.

Farm values increased for all product groups except fruits and vegetables. Consumer expenditures increased for each of the product groups.

1/ The marketing bill is the difference between total expenditures by civilian consumers for domestic farm-food products and the farm value or returns that farmers received for the equivalent farm products. It is an estimate of total charges for transporting, processing, wholesaling, and retailing farm foods. Foods sold in the form of meals in restaurants and other eating places and those sold at less than retail prices are valued at the point of sale. Estimates do not include the value of food products not produced on farms in the United States, foods consumed on farms where produced, or foods not sold to civilian consumers in this country.

Table 5.--The marketing bill, farm value, and consumer expenditures for domestic farm-food products bought by civilians, United States, 1947-66

Year	Total marketing bill	Farm value 1/	Civilian expenditures for farm foods 2/	Year	Total marketing bill	Farm value 1/	Civilian expenditures for farm foods 2/
	Billion dollars	Billion dollars	Billion dollars		Billion dollars	Billion dollars	Billion dollars
1947	22.6	19.3	41.9	1957 ...	37.9	20.4	58.3
1948	24.9	19.9	44.8	1958 ...	39.5	21.5	61.0
1949	26.0	17.4	43.4	1959 ...	42.2	20.9	63.1
1947-49 avg. ..	24.5	18.9	43.4	1957-59 avg. .	39.9	20.9	60.8
1950	26.0	18.0	44.0	1960 ...	44.2	21.7	65.9
1951	28.7	20.5	49.2	1961 ...	45.1	22.0	67.1
1952	30.5	20.4	50.9	1962 ...	46.9	22.4	69.3
1953	31.5	19.5	51.0	1963 ...	48.9	22.6	71.5
1954	32.3	18.8	51.1	1964 ...	51.2	23.4	74.6
1955	34.4	18.7	53.1	1965 ...	52.1	25.5	77.6
1956	36.3	19.2	55.5	1966 3/	55.3	28.1	83.4

1/ The farm value is the payment to farmers for the products equivalent to those sold to consumers. The values of inedible byproducts, nonfood products, and exports are not included. In calculating the farm value of wheat products, the cost of domestic wheat marketing certificates to wheat processors was added to the market price of wheat beginning in the second half of 1964.

2/ Consumer expenditures for domestic farm-food products; excluded are expenditures for imported foods, seafoods, and other foods of nonfarm origin.

3/ Preliminary.

Beginning with 1960, estimates in this table are for 50 states.

Components of the Marketing Bill

Labor

Costs to marketing firms for the labor engaged in assembling, processing, and distributing farm-originated foods bought by U.S. civilian consumers totaled $23.4 billion in 1966--about 5 percent more than in 1965 (table 7). This increase was larger than the average annual rise of 3.5 percent during 1955-65. However, the labor cost component did not increase by as large a percentage as the marketing bill. It made up 42 percent of the marketing bill last year compared with 43 percent in 1965 and in 1957-59. This labor cost includes work performed by supervisors, managers, officers, proprietors, and family members as well as that performed by production and clerical workers. Fringe benefits and payrolls are included.

The number of workers engaged in marketing farm-food products sold to civilian consumers increased to 4.8 million (on a full-time equivalent basis) in 1966--2 percent more than in 1965 (table 8). Most of this increase occurred in retail food stores and away-from-home eating places. Despite the increase of 2 percent in 1966, the number

Table 6.--The total marketing bill, farm value, and consumer expenditures, by commodity group, for domestic farm-food products bought by civilians, United States, 1947-66 1/

Year	All farm foods			Meat products			Dairy products			Poultry and eggs		
	Marketing bill	Farm value	Expenditures	Marketing bill	Farm value	Expenditures	Marketing bill	Farm value	Expenditures	Marketing bill	Farm value	Expenditures
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
1947 ...	22,643	19,294	41,937	5,341	7,464	12,805	4,083	3,869	7,952	1,251	2,721	3,972
1948 ...	24,936	19,869	44,805	5,773	7,679	13,452	4,588	4,226	8,814	1,362	3,041	4,403
1949 ...	25,985	17,386	43,371	5,911	6,680	12,591	4,435	3,613	8,048	1,452	2,799	4,251
1950 ...	25,960	18,032	43,992	5,979	7,373	13,352	4,501	3,656	8,157	1,485	2,579	4,064
1951 ...	28,740	20,512	49,252	6,406	8,083	14,489	5,161	4,174	9,335	1,743	3,258	5,001
1952 ...	30,519	20,413	50,932	7,072	7,711	14,783	5,482	4,429	9,911	1,761	3,036	4,797
1953 ...	31,553	19,460	51,013	7,373	7,197	14,570	5,649	4,061	9,710	1,754	3,202	4,956
1954 ...	32,316	18,824	51,140	7,439	7,223	14,662	5,877	3,886	9,763	1,803	2,651	4,454
1955 ...	34,378	18,749	53,127	8,152	6,647	14,799	6,224	4,077	10,301	1,755	2,825	4,580
1956 ...	36,302	19,246	55,548	8,506	6,633	15,139	6,510	4,321	10,831	1,935	2,775	4,710
1957 ...	37,888	20,405	58,293	8,829	7,546	16,375	6,767	4,435	11,202	1,976	2,710	4,686
1958 ...	39,549	21,445	60,994	8,933	8,535	17,468	6,987	4,463	11,450	2,164	2,908	5,072
1959 ...	42,202	20,916	63,118	9,945	8,029	17,974	7,308	4,541	11,849	2,197	2,555	4,752
1960 ...	44,150	21,699	65,849	10,182	8,170	18,352	7,484	4,625	12,109	2,160	2,842	5,002
1961 ...	45,101	22,043	67,144	10,271	8,321	18,592	7,602	4,648	12,250	2,385	2,668	5,053
1962 ...	46,891	22,424	69,315	10,501	8,732	19,233	7,838	4,612	12,450	2,405	2,683	5,088
1963 ...	48,945	22,574	71,519	11,380	8,467	19,847	7,959	4,667	12,626	2,488	2,753	5,241
1964 ...	51,188	23,352	74,540	12,301	8,523	20,824	8,102	4,812	12,914	2,587	2,766	5,353
1965 ...	52,095	25,544	77,639	11,867	9,941	21,808	8,113	4,861	12,974	2,716	2,934	5,650
1966 2/	55,279	28,086	83,365	13,188	11,270	24,458	8,114	5,304	13,418	3,048	3,371	6,419

Year	Fruits and vegetables			Grain mill products			Bakery products 3/			Miscellaneous		
1947 ...	4,952	2,646	7,598	1,014	841	1,855	3,194	876	4,070	2,808	877	3,685
1948 ...	5,235	2,454	7,689	1,186	765	1,951	3,734	848	4,582	3,058	856	3,914
1949 ...	5,690	2,335	8,025	1,244	622	1,866	4,070	728	4,798	3,183	609	3,792
1950 ...	5,630	2,278	7,908	1,234	637	1,871	4,055	761	4,816	3,076	748	3,824
1951 ...	6,440	2,649	9,089	1,336	666	2,002	4,397	859	5,256	3,257	823	4,080
1952 ...	7,082	3,008	10,090	1,394	637	2,031	4,532	811	5,343	3,196	781	3,977
1953 ...	7,336	2,737	10,073	1,433	590	2,023	4,596	834	5,430	3,412	839	4,251
1954 ...	7,535	2,743	10,278	1,499	546	2,045	4,520	860	5,380	3,643	915	4,558
1955 ...	8,274	2,844	11,118	1,577	561	2,138	4,661	819	5,480	3,735	976	4,711
1956 ...	8,805	3,064	11,869	1,671	583	2,254	4,736	829	5,565	4,139	1,041	5,180
1957 ...	9,198	3,211	12,409	1,820	615	2,435	5,276	837	6,113	4,022	1,051	5,073
1958 ...	9,865	3,085	12,950	2,030	612	2,642	5,352	797	6,149	4,217	1,045	5,262
1959 ...	10,240	3,355	13,595	2,069	590	2,659	5,843	772	6,615	4,600	1,074	5,674
1960 ...	10,998	3,475	14,473	2,147	603	2,750	6,033	797	6,830	5,146	1,187	6,333
1961 ...	11,164	3,557	14,721	2,210	615	2,825	6,168	861	7,029	5,301	1,373	6,674
1962 ...	11,837	3,554	15,391	2,261	666	2,927	6,471	890	7,361	5,578	1,287	6,865
1963 ...	12,035	3,635	15,670	2,381	665	3,046	6,783	925	7,708	5,919	1,462	7,381
1964 ...	12,390	4,090	16,480	2,513	690	3,203	6,989	947	7,936	6,306	1,524	7,830
1965 ...	12,671	4,394	17,065	2,682	743	3,425	7,094	1,007	8,101	6,952	1,664	8,616
1966 2/	13,575	4,386	17,961	2,682	794	3,476	7,356	1,103	8,459	7,316	1,858	9,174

1/ Expenditures represent the market value to consumers of all domestic farm foods bought by civilian consumers in this country. Farm value is adjusted to eliminate imputed value of nonfood byproducts. The marketing bill is the difference between the farm value and expenditures.

2/ Preliminary estimates.

3/ Farm value of bakery products group includes farm values of flour, milk, eggs, fruit, lard, vegetable shortening, and sugar used in bakery products. Farm values of these ingredients are not included in farm values of other product groups.

Beginning with 1960, estimates in this table are for 50 States.

Table 7.--Labor, transportation, corporate profits, and other costs incurred in marketing farm-food products, United States, 1947-66 1/

Year	Labor 2/	Rail and truck transportation 3/	Corporate profits 4/ Before income taxes	Corporate profits 4/ After income taxes	Other 5/	Total marketing bill
	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars
1947	10.2	2.0	1.5	1.0	8.9	22.6
1948	11.2	2.2	1.3	.8	10.2	24.9
1949	11.7	2.3	1.3	.7	10.7	26.0
1950	12.2	2.7	1.6	.9	9.5	26.0
1951	13.0	2.7	1.3	.6	11.7	28.7
1952	13.8	3.1	1.4	.6	12.2	30.5
1953	14.6	3.3	1.5	.7	12.1	31.5
1954	15.3	3.4	1.5	.7	12.1	32.3
1955	15.7	3.4	1.8	.9	13.5	34.4
1956	16.3	3.8	1.9	.9	14.3	36.3
1957	16.8	3.9	1.9	.9	15.3	37.9
1958	17.1	4.2	1.9	.9	16.3	39.5
1959	17.8	4.5	2.1	1.0	17.8	42.2
1957-59 average .	17.2	4.2	2.0	.9	16.5	39.9
1960	18.7	4.6	2.1	.9	18.8	44.2
1961	18.8	4.9	2.2	1.0	19.2	45.1
1962	19.7	4.9	2.2	1.0	20.1	46.9
1963	20.3	5.0	2.4	1.3	21.2	48.9
1964	21.2	5.1	2.7	1.4	22.2	51.2
1965	22.3	---	2.9	1.5	---	52.1
1966 6/ ..	23.4	---	3.0	1.6	---	55.3

1/ For domestic farm foods bought by civilian consumers in this country.
2/ Labor cost includes imputed earnings of proprietors, partners, and family workers not receiving stated remuneration. It also includes supplements to wages and salaries such as social security and unemployment insurance taxes and health insurance premiums, but it does not include the cost of labor employed in for-hire transportation.
3/ Includes charges for the protective services, heating and refrigeration; does not include local hauling; charges for intercity transportation by water and air are a part of the "other" or residual component of the marketing bill.
4/ Does not include profits of unincorporated firms or transportation firms.
5/ Residual component; includes other costs such as advertising, depreciation, fuel, electric power, containers, packaging materials, air and water transportation, interest on borrowed capital, taxes other than those on income, and noncorporate profits. Data for some of these items for some years are given in table 10.

Beginning with 1960, estimates in this table are for 50 states.

Table 8.--Number of persons (full-time equivalent basis) engaged in marketing domestic farm-food products bought by civilian consumers, 1947-66 1/

Year	Manufacturing	Wholesaling and assembling	Retail stores	Away-from-home eating places	Total
	Thousands	Thousands	Thousands	Thousands	Thousands
1947	1,323	364	1,435	1,233	4,355
1948	1,334	385	1,497	1,220	4,436
1949	1,327	403	1,486	1,218	4,434
1950	1,355	388	1,483	1,217	4,443
1951	1,331	379	1,498	1,250	4,458
1952	1,371	407	1,489	1,279	4,546
1953	1,389	432	1,483	1,321	4,625
1954	1,378	454	1,475	1,323	4,630
1955	1,387	438	1,463	1,373	4,661
1956	1,383	446	1,458	1,416	4,703
1957	1,356	473	1,435	1,425	4,689
1958	1,334	475	1,409	1,430	4,648
1959	1,326	480	1,388	1,460	4,654
1960	1,336	483	1,373	1,466	4,658
1961	1,320	474	1,278	1,446	4,518
1962	1,298	475	1,274	1,463	4,510
1963	1,291	475	1,278	1,455	4,499
1964	1,282	480	1,305	1,527	4,594
1965	1,282	491	1,340	1,588	4,701
1966 2/	1,284	493	1,391	1,638	4,806

1/ These workers include full- and part-time employees, partners, proprietors, and unpaid family workers engaged in marketing the food covered by the farm-food marketing bill (table 5). Reported numbers of workers have been converted to full-time equivalent numbers. In general, the proportion of workers included from a food processing or food distributing agency equals the proportion of the agency's total sales or output represented by farm-food products. A further deduction is made for workers marketing export commodities and products sold to the armed forces.

2/ Preliminary.

of food marketing workers in 1966 was only 3 percent larger than the average for 1957-59 Most of the increase was in away-from-home eating places. The total number of workers in wholesaling and assembly establishments also increased. But fewer people were working in retail food stores and food manufacturing plants in 1966 than in 1957-59.

Hourly cost of the labor engaged in marketing these food products averaged 39 percent higher in 1966 than in 1957-59 (table 9). But a substantial improvement in output of products marketed per man-hour held the increase in labor costs per unit of product marketed to 14 percent.

Rail and Truck Transportation

Costs of shipping farm food products by rail and truck in 1965 and 1966 have not been estimated because of lack of data for those years. In 1964 these costs added up

Table 9.--Average hourly labor cost, unit labor cost and profits per unit of product for marketing farm-food products, United States, 1947-66 1/

(1957-59=100)

Year	Hourly labor cost 2/	Unit labor cost 3/	Profit per unit of product 4/	
			Before taxes	After taxes
1947	58	74	96	128
1948	63	84	82	103
1949	67	86	80	100
1950	69	86	99	115
1951	74	92	83	80
1952	77	94	82	75
1953	82	96	87	83
1954	87	97	81	79
1955	89	96	97	99
1956	92	96	98	99
1957	97	98	97	95
1958	100	101	98	99
1959	103	101	104	105
1960	108	102	98	94
1961	114	101	101	100
1962	120	104	101	99
1963	125	104	108	119
1964	128	104	---	---
1965	133	109	---	---
1966 5/	139	114	---	---

1/ For domestic farm-originated foods bought by civilian consumers in this country.
2/ Hourly labor cost derived by dividing total labor cost (table 7) by total man-hours worked.
3/ Unit labor cost is the quotient of the indexes of total labor cost (table 7) and of volume of farm-food products marketed to civilian consumers. The index of farm-food products marketed was constructed by weighting the quantities sold by 1957-59 average retail prices.
4/ Profit per unit of product is the quotient of the index of total corporate profits from marketing farm foods produced and consumed in the United States (table 7) and the index of the volume of farm-food products marketed.
5/ Preliminary.

to $5.1 billion dollars. From 1957-59 to 1964, they increased by a slightly larger percentage than volume of products marketed. They accounted for 10 percent of the marketing bill in 1964 compared with 11 percent in 1957-59. Railroad freight rates for agricultural products have averaged lower each year since 1958.

Corporate Profits

Profits before taxes on income that corporations earned from marketing the food products covered by the marketing bill amounted to $3.0 billion in 1966--3 percent more than in 1965. The total in 1966 was 50 percent more than the 1957-59 average. Before-tax profits made up 5.4 percent of the marketing bill in 1966, 5.6 percent in 1965 and 5.0 percent in 1957-59.

After-tax profits were 53 percent of before-tax profits in 1966 compared with 45 percent in 1957-59. The reduction in corporate income tax rates, effective in 1964 and 1965, and the investment income tax credit, effective January 1, 1962, were mainly responsible for the increase in after-tax profits as a percentage of before-tax profits.

Other Costs 2/

Other costs, the residual component of the marketing bill, increased faster than the other components from 1959 to 1965. This component includes advertising costs, depreciation charges, business taxes other than income taxes, rents, interest, costs of containers and packaging materials, fuel, electric power, and many other goods and services, as well as noncorporate profits. Costs of many of these items cannot be estimated. Those for which estimates can be made amounted to $8.6 billion in 1965 compared with $5.8 billion in 1959--an increase of 48 percent (table 10). These costs accounted for about 17 percent of the marketing bill in 1965 compared with 14 percent in 1959. Depreciation and taxes are the most significant of these costs items, accounting for 45 percent of the $8.6 billion in 1965.

The difference between the marketing bill and the total of the costs that can be estimated amounted to $14.1 billion in 1964, the last year for which the rail and truck transportation component could be estimated. This residual accounted for 28 percent of the marketing bill both in 1964 and 1959. Adequate data for the minor cost components shown in table 10 were not available before 1959.

Marketing costs vary according to the function performed by the firm. In 1963 the cost of advertising, depreciation, interest, taxes, rent, repairs, bad debts, and contributions per dollar of sales ranged from 2.5 cents for food wholesalers to 12.6 cents for eating places (table 11).

Business taxes per dollar of sales were highest for eating places and lowest for food wholesalers. The increase in business taxes per dollar of sales between 1959 and 1963 ranged from 0.1 cent for food wholesalers to 0.8 cent for eating places. The increase in business taxes was partly due to increased social security tax rates. 3/ The rate increased from 2.5 percent in 1959 to 3.6 percent in 1963. Also, total depreciable assets for all 4 marketing groups increased 50 percent during this period. This expanded the property tax base and therefore tax payments. Also, property tax rates increased in most States.

Depreciation per dollar of sales was highest for eating places and lowest for food wholesalers. Differences among the 4 marketing groups resulted partly from variations in amount of depreciable assets per dollar of sales. For example, depreciable assets per dollar of sales in 1963 were as follows: 5.5 cents for food wholesalers, 10.7 cents for retail food stores, 26.5 cents for food processors, and 34.0 cents for eating places.

From 1959 to 1963, depreciation per dollar of sales did not increase for food wholesalers and food stores. However, depreciation per dollar of sales increased for food processors and eating places. During this same period, depreciable assets per dollar of sales increased from 22.7 cents to 26.5 cents for processors and from 30.6 cents to 34.0 cents for eating places.

2/ This section and estimates in tables 10 and 11 were prepared by William T. Wesson and Thomas R. Van Horn, Agricultural Economists, Marketing Economics Division, Economic Research Service, USDA.

3/ More detail concerning taxes has been published in Taxes Paid by Firms Marketing Farm-Food Products, by William T. Wesson, AER No. 50, Economic Research Service, USDA, 1964.

Table 10.--Selected costs in the food marketing bill, by type of food marketing firm, 1959-1965 1/

Item	1959	1960	1961	1962	1963	1964	1965
	Processors						
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Advertising	797	844	850	917	949	1,040	1,100
Depreciation	644	658	675	781	791	869	919
Interest (net)	101	101	113	131	131	141	150
Business taxes 2/	483	518	551	595	633	697	737
Rent (net)	160	170	179	199	200	217	230
Repairs, bad debts, contributions	400	412	419	460	468	515	545
Total	2,585	2,703	2,787	3,083	3,172	3,479	3,681
	Wholesalers 3/						
Advertising	84	76	79	79	99	99	109
Depreciation	134	131	132	156	163	164	179
Interest (net)	35	35	37	46	50	50	54
Business taxes 2/	116	116	131	149	173	175	192
Rent (net)	93	70	80	98	105	105	115
Repairs, bad debts, contributions	65	77	83	96	104	105	115
Total	527	505	542	624	694	698	764
	Retailers 4/						
Advertising	324	354	423	522	534	561	600
Depreciation	655	680	688	775	777	827	893
Interest (net)	98	102	112	125	138	147	160
Business taxes 2/	559	622	679	743	853	908	981
Rent (net)	823	813	874	985	1,031	1,098	1,188
Repairs, bad debts, contributions	249	257	289	291	324	344	372
Total	2,708	2,828	3,065	3,441	3,657	3,885	4,194
	Total all groups						
Advertising	1,205	1,274	1,352	1,518	1,582	1,700	1,809
Depreciation	1,433	1,469	1,495	1,712	1,731	1,860	1,991
Interest (net)	234	238	262	302	319	338	364
Business taxes 2/	1,158	1,256	1,361	1,487	1,659	1,780	1,910
Rent (net)	1,076	1,053	1,133	1,282	1,336	1,420	1,533
Repairs, bad debts, contributions	714	746	791	847	896	964	1,032
Total	5,820	6,036	6,394	7,148	7,523	8,062	8,639

1/ Estimates are based on Internal Revenue Service and census data. 1964 and 1965 are preliminary. These estimates are for both corporate and noncorporate firms and relate only to domestic farm foods sold to U.S. civilian consumers. Data for years before 1965 have been revised.

2/ Includes property, social security, unemployment insurance, State income, and franchise taxes, license fees, etc., but does not include Federal income tax. Social security and unemployment insurance taxes also are included in the labor cost component as labor supplements.

3/ Merchant wholesalers of groceries and related products.

4/ Includes retail food stores and restaurants and other eating places.

Table 11.--Selected costs per dollar of sales, by type of food marketing firm, 1959 and 1963 1/

Cost item	Food processors		Food 2/ wholesalers		Retail food stores		Eating places	
	1959	1963	1959	1963	1959	1963	1959	1963
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Advertising	1.9	2.1	0.4	0.3	0.7	1.1	0.6	0.7
Depreciation	1.5	1.7	.6	.6	1.0	1.0	2.7	2.8
Interest	.2	.3	.1	.2	.1	.2	.5	.6
Taxes 3/	1.1	1.4	.5	.6	.8	1.1	2.4	3.2
Rent	.4	.4	.4	.4	1.2	1.3	3.8	4.1
Repairs, bad debts, and contributions	.9	1.0	.3	.4	.4	.4	1.1	1.2
Total	6.0	6.9	2.3	2.5	4.2	5.1	11.1	12.6

1/ Compiled from Internal Revenue Service data.
2/ Merchant wholesalers of groceries and related products.
3/ Includes property, social security, unemployment insurance, State income, and franchise taxes, license fees, etc., but does not include Federal income tax.

Advertising cost per dollar of sales was highest for food processors and lowest for food wholesalers. From 1959 to 1963, retail food stores increased their advertising cost per dollar of sales from 0.7 cent to 1.1 cents. More extensive use of trading stamps may have accounted for much of this increase. Food processors increased their advertising from 1.9 cents to 2.1 cents.

Rent per dollar of sales was highest for eating places and lowest for food processors and food wholesalers. Rent increased for retail food stores and eating places from 1959 to 1963. These increases resulted partly from increased use of rental equipment and facilities.

SYNTHETIC SUBSTITUTES IN AGRICULTURAL MARKETS 1/

Synthetic products and raw materials are replacing some agricultural raw materials in both food and nonfood markets. This is not new and can be expected to continue due to changing technology, consumer preferences, tastes, and incomes. As consumer demands change, technical developments in product processing and formulation may also change. In some cases, these changes result in the substitution of synthetics for agricultural products and raw materials. In this article, 6 markets are used to illustrate the effect and magnitude of synthetic substitutes on the use of agricultural products and raw materials.

What is a synthetic?

In technical terms, a synthetic is a product or compound produced by artificial means rather than occurring in natural form. Thus, a synthetic can be derived from either agricultural or nonagricultural raw materials. However, in this article, we are primarily concerned with synthetics from nonagricultural raw materials versus agricultural commodities regardless of the amount of processing. Products that may be synthesized from agricultural materials are not considered synthetic for the purpose of this article. For example, ethylene glycol (antifreeze) is a synthetic derived from nonagricultural sources, whereas fatty acids and rayon are derived from agricultural raw materials.

Effects of Synthetic Substitutes on Agricultural Markets

Synthetic substitutes affect markets for agricultural products in several ways. The most evident effect is to slow the consumption of competing agricultural products. This leads to an alteration in market shares and the market value of agricultural products relative to synthetics. The second and most relevant effect is the impact synthetic substitutes have on the market value of agricultural products. Also these changes may alter the distribution patterns of income flows that traditionally accrue to specific commodity groups and agricultural marketing firms. This article explores market growth rates and market shares using 6 agricultural markets as examples. The measurement of the impact of synthetics on the market value of agricultural products is an objective of a research project underway in the Department.

Growth Rates, Market Shares, and Prices of Agricultural and Synthetic Materials in Selected Markets

Agricultural products compete with synthetic substitutes in many markets. For this reason, only a few end-use markets are used to illustrate differences in annual growth rates, changes occurring in market shares, and the underlying price relationships. Growth rates and changing market shares indicate the direction and approximate magnitude of the impact of synthetics on the use of agricultural products. The prices, as shown here, reflect only one aspect of the competitive relationships existing between agricultural and synthetic products and raw materials. Differences in physical characteristics and functional performance in each end-use market also influence the use of synthetic and agricultural materials. However, the affects of these factors are not analyzed in this article.

1/ By Ray S. Corkern, Agricultural Economist, Marketing Economics Division, Economic Research Service, USDA.

Fiber markets 2/: Fibers are usually classed as cellulosic and noncellulosic. 3/ Therefore, this classification is used here as a basis for presenting the impact of synthetic (noncellulosic) fibers on the market for fibers derived from agricultural sources.

Domestic utilization of all fibers has increased at an annual rate of 3 percent since 1949 (table 12). The use of synthetic fibers has increased at an annual rate of 19 percent compared with less than 1 percent for the agricultural fibers. The magnitude of these growth rates suggests an increase in the per capita consumption of noncellulosic fibers and a decrease in per capita consumption of cellulosic fibers.

Table 12.--Fiber market: Annual growth rate in consumption, market share, and prices of cellulosic and noncellulosic fibers

Type of fiber	Growth rate (1949-65)	Market share		Price per pound	
		1949	1965	1953	1965
	Percent	Percent	Percent	Cents	Cents
All fibers	2.8	100.0	100.0	---	---
Cellulosic	.4	97.2	67.2	1/32.3	1/28.1
Noncellulosic	19.0	2.8	32.8	2/92.0	2/53.4

1/ Average price per pound of cotton lint.
2/ An unweighted average annual price of selected nylon, acrylic and polyester staple fiber and tow converted to a cotton equivalent price by using a conversion factor of 1.74. Prices on noncellulosic fibers were not reported prior to 1953.

The market shares of cellulosic and noncellulosic fibers underwent a dramatic change during 1949-65. Cellulosic's share of the market fell from 97 percent in 1949 to 67 percent in 1965, whereas noncellulosic's share increased from 3 to 33 percent.

Synthetic fibers have increased in market share, although their composite price exceeded the price of cotton fiber during 1953-65. However, the price of synthetic fibers has declined in recent years while cotton prices remained relatively stable.

2/ Data for this market compiled from: Supplement for 1966 to Statistics on Cotton and Related Data, 1925-1962, S. B. No. 329, Economic Research Service, USDA, 1966; Wool Statistics and Related Data, 1920-1964, and Supplements, S. B. No. 363, Economic Research Service, USDA, 1965.

3/ Cellulosic fibers include cotton, wool, and rayon. Technically, wool is not a cellulosic fiber but is so classified here for expository purposes only. Also excluded from cellulosic fibers are the imported vegetable fibers such as jute, sisal, and hemp. Noncellulosic fibers include nylon, polyester, glass, and other manmade fibers. For comparison purposes, all fibers were converted into cotton equivalent. For a discussion of conversion factors, see reference cited in footnote 2.

Soap and detergent market 4/: The soap industry has traditionally been a large consumer of animal fats and vegetable oils. Technological changes and shifts in consumer and industrial demand for soaps and detergents have resulted in a decline in the use of fats and oils and an increase in the use of synthetic raw materials (table 13). The growth rate of raw materials used in the soap and detergent industries increased 3 percent annually during 1945-65. The growth rate for agricultural raw materials declined 6 percent annually while the use of synthetic materials increased 17 percent. As a consequence, agriculture's share of the soap and detergent market declined from 96 percent in 1945 to 19 percent in 1966.

Table 13.--Soap and detergent market: Annual growth rate, market share, and prices of agricultural and nonagricultural materials used in production of soaps and detergents

Type of material	Growth rate (1945-65)	Market share		Price per pound	
		1945	1965	1952	1965
	Percent	Percent	Percent	Cents	Cents
All materials	3.4	100.0	100.0	---	---
Agricultural	-5.9	96.3	19.3	1/5.0	1/9.1
Nonagricultural	17.0	3.7	80.7	2/13.4	2/10.0

1/ Weighted average price of animal fats and vegetable oils used in the soap industry.
2/ Average price of dodecylbenzene. Prices not reported prior to 1952.

The growth rate and market share figures shown in table 13 should be viewed as approximations because of the difficulty in converting detergent sales data into a comparable agricultural raw materials base. A ratio of annual soap sales to the amount of agricultural raw materials used in soaps was used to convert detergent sales into equivalent amounts of agricultural materials. This conversion procedure assumes a 1 to 1 substitution ratio between agricultural and synthetic raw materials used in soap and detergent production and that production equals sales.

Since 1952, the price of dodecylbenzene, a synthetic used in detergents, has trended downward, whereas the price of agricultural materials has increased slightly. The declining price of dodecylbenzene is only one factor affecting the replacement of agricultural raw materials by synthetics. Factors such as differences in product formulation, wetting properties, foaming characteristics, and availability of other synthetic raw materials also influence the use of agricultural raw materials.

4/ Data for this market compiled from: Agricultural Statistics, 1966, USDA; U.S. Fats and Oils Statistics, 1909-1965, S. B. No. 376, Economic Research Service, USDA, 1966; Wholesale Prices and Price Indexes, Bureau of Labor Statistics, U.S. Department of Labor, and various issues of Oil, Paint, and Drug Reporter.

Ethyl alcohol market 5/: Ethyl alcohol is produced from agricultural raw materials containing carbohydrates and from ethylene gas, a synthetic material. Available ethyl alcohol production statistics are divided into two classes, natural and synthetic. These data were converted into agricultural raw material equivalents by assuming that 1,000 gallons of ethyl alcohol could be obtained from 372 bushels of corn and 83 bushels of barley malt. This procedure probably underestimates the amount of raw materials used since various agricultural and synthetic raw materials yield differing amounts of ethyl alcohol.

The use of all raw materials for ethyl alcohol production increased at an annual rate of 4 percent during 1946-65. Synthetic raw materials increased 8 percent and agricultural raw materials declined at an annual rate of 6 percent (table 14). As a result, agriculture's share of this raw material market declined from 61 percent in 1946 to 16 percent in 1965.

Table 14.--Ethyl alcohol market: Annual growth rate, market share, and prices of agricultural and nonagricultural materials used in production of ethyl alcohol

Type of material	Growth rate (1946-65)	Market share		Price per pound	
		1946	1965	1946	1965
	Percent	Percent	Percent	Cents	Cents
All materials	4.0	100.0	100.0	---	---
Agricultural 1/	-6.2	61.3	16.2	3.1	2.2
Nonagricultural 2/	8.4	38.7	83.8	5.0	4.8

1/ Barley and corn.
2/ Ethylene gas.

Corn and barley prices declined slightly, whereas, the price of ethylene gas remained about 5 cents per pound. However, ethylene gas was replacing agricultural materials in alcohol production. A partial explanation is that grain or ethylene gas is only one raw material component in alcohol production. Whether to use grain or ethylene gas must be evaluated in terms of total raw material and processing cost since other raw materials are also required to produce ethyl alcohol.

5/ Data for this market compiled from: Synthetic Organic Chemicals, U.S. Tariff Commission, annual reports 1945-65; Agricultural Statistics, 1966, USDA; Alcohol and Tobacco Summary Statistics, U.S. Treasury Department, Internal Revenue Service, fiscal years 1945-65.

Sweetener market 6/: Saccharin and cyclamates compete with cane and beet sugar in foods and beverages. For comparison of growth rates, market shares, and prices, saccharin and cyclamates are converted to sugar sweetness equivalents. 7/

The consumption of cane and beet sugar, on a refined basis, increased 1.6 percent annually during 1958-65, about in line with the increase in population. The consumption of saccharin and cyclamates, starting from a much smaller base, increased 9 percent annually (table 15). Cane and beet sugar's share of the market declined from 96 percent in 1958 to 94 percent in 1965.

Table 15.--Sweetener market: Annual growth rate of consumption, market share, and prices of agricultural and nonagricultural sweeteners

Type of sweetener	Growth rate (1958-65)	Market share		Price per pound	
		1958	1965	1958	1965
	Percent	Percent	Percent	Cents	Cents
All sweeteners	1.9	100.0	100.0	---	---
Agricultural 1/	1.6	96.3	93.8	6.3	6.9
Nonagricultural 2/ ...	9.3	3.7	6.2	3/7.1	3/1.0

1/ Includes only cane and beet sugar.
2/ Includes saccharin and cyclamates. Saccharin and cyclamates were converted to sugar equivalents by using a 300 to 1 and 30 to 1 ratio respectively.
3/ Weighted average price of saccharin and cyclamates converted to a sugar equivalent.

The price of synthetics trended downward during 1958-65, due mostly to a sharp decline in cyclamate prices. Cyclamate prices, in terms of sugar sweetness equivalents, dropped from 9 to 3 cents per pound while saccharin remained near $\frac{1}{2}$ cent per pound. The average price of cane and beet sugar was 4 percent higher in 1965 than in 1958 and remained higher than synthetic sweetener prices during the period.

6/ Data for this market compiled from: Agricultural Statistics, 1966, USDA; Sugar Reports, Agricultural Stabilization and Conservation Service, USDA, 1958-65; Ballinger, Roy A., Non-Caloric Sweeteners: Their Position in the Sweetener Industry; AER No. 113, Economic Research Service, USDA, 1967; Gray, Frederick D., The Sweetener Market--Trends and Prospects, Economic Research Service, ERS-267, USDA, 1965.

7/ For an explanation of the conversion ratio used, see: Ballinger, Roy A., Non-Caloric Sweeteners: Their Position in the Sweetener Industry, AER No. 113, Economic Research Service, USDA, p. 4, 1967.

Oilseed protein feed market 8/: Urea is an organic chemical which can be substituted for high protein agricultural materials--especially the oilseed meals--used in feeds prepared for ruminant animals. In this analysis, a comparison is made between oilseed protein meals fed to beef cattle, dairy cattle, sheep, and urea used in feeds. The total use of oilseed meals and urea in feeds has increased 6 percent annually since 1955 (table 16). Individually, oilseed meals increased 6 percent and urea 10 percent. The market share of oilseed meals declined from 91 percent to 88 percent from 1955 to 1964.

Table 16.--Oilseed protein feed market: Annual growth rate in consumption, market share, and price of oilseed meal and urea

Type of feed	Growth rate (1955-64)	Market share 1/		Price per pound 1/	
		1955	1964	1955	1964
	Percent	Percent	Percent	Cents	Cents
All feeds	6.3	100.0	100.0	---	---
Oilseed meal 2/	5.8	91.3	87.8	2.6	3.6
Urea 2/	10.4	8.7	12.2	3/1.0	3/1.0

1/ Year beginning in October for oilseed meal, calendar year for urea.
2/ Converted to a 44-percent soybean meal equivalent.
3/ A factor of 5.36 was used to convert urea prices into equivalent protein in soybean meal. This factor does not allow for the carbohydrate value of the soybean meal or the carbohydrate that would be required in grain-urea mixtures.

The urea price is lower than oilseed meal prices on an equivalent protein basis. However, there is a technical limitation on the amount of urea that can be used in mixed feeds, and urea is used only in ruminant feeds. These limitations on the use of urea appear to limit the impact it will have on the market for oilseed meals in feeds.

Glycerin market 9/: Natural glycerin is a byproduct of animal fats and vegetable oils used in soap manufacturing, fat-splitting operations, and fatty alcohol manufacturing. Since natural glycerin is not produced as a primary product, no attempt is made to convert natural and synthetic glycerin production into equivalent units of raw materials. A direct comparison is made between natural and synthetic glycerin production to indicate the impact of synthetics on the glycerin market.

Total glycerin production increased at an annual rate of 3 percent, synthetic at 13 percent, and natural declined 1.5 percent during 1945-65 (table 17). The market share of natural glycerin declined from 90 percent in 1945 to 43 percent in 1965 due to a reduction in the use of animal fats and vegetable oils in soap production.

8/ Data for this market compiled from: Agricultural Statistics, 1966, USDA; Feed Situation, Economic Research Service, USDA, 1958-65; Synthetic Organic Chemicals, U.S. Tariff Commission, annual reports 1958-65.

9/ Data for this market compiled from: Agricultural Statistics, 1966, USDA; Synthetic Organic Chemicals, U.S. Tariff Commission, annual reports 1945-65.

Table 17.--Glycerin market: Annual growth rate in production, market share, and prices of natural and synthetic glycerin

Type of glycerin	Growth rate (1945-65)	Market share		Price per pound 1/	
		1945	1965	1953	1965
	Percent	Percent	Percent	Cents	Cents
All glycerin	3.1	100.0	100.0	---	---
Natural	-1.5	89.7	42.8	27.4	13.1
Synthetic	13.0	10.3	57.2	29.7	18.5

1/ Converted to an 80 percent soaplye basis. Price of synthetic glycerin not reported prior to 1953.

Prices of both natural and synthetic glycerin declined during 1953-65. However, prices of synthetic glycerin remained slightly above natural glycerin during the entire period and the margin between the two prices remained stable.

These 6 markets illustrate the inroads synthetics have made in traditional agricultural markets. Competition between agricultural products and synthetics is not limited to these markets. Agricultural products also are being replaced by synthetic materials in the manufacture of shoes, protective coatings, perfume and flavors, pharmeceuticals, plastics, and paper.

The technical and economic factors influencing the replacement of agricultural products by synthetics, other than price, are not presented in this article. An evaluation of these factors is being made under a research project now in progress in the Department.

Market Adjustments to Meet the Challenge of Synthetics

Two approaches to the problem of improving the competitive position of agricultural products relative to synthetics are being actively pursued. These are new product development and development of new and improved processing techniques. Usually a combination of these techniques is used by agricultural producers, processors, and marketing groups, and by private and public agencies.

New product development: Many new or improved agricultural products have been developed to meet the specialized demands of consumers and industrial users. Product improvements range from an alteration of the physical appearance of the commodities to packaging to chemical synthesis that enhances their performance in end-products. Several new consumer products are stretch cotton fabrics, freeze-dried fruits, low fat milk, boil-in-the-bag vegetables, aerosol-packed cheese spreads, concentrated fruit beverages and powders, sweetpotato flakes, and permanent press apparel. Progress has also been made in the development of new products for industrial use. Some examples are dialdehyde starch for improving the wet strength of paper, epoxidized soybean oil for use as plasticizers, and emulsifiable linseed oil for use in water emulsion paints. These new industrial products were developed to meet the changing physical and functional needs of industrial users and to place agricultural products in a more favorable competitive position relative to potential synthetic substitutes.

New processing techniques: New processing techniques have been designed to improve quality, reduce processing costs, and alter the physical and chemical properties of agricultural raw materials to better meet the demands of consumers and industrial users. Some recent examples are resin treatment for durable flame resistant cotton finishes, glutaldehyde tanning to improve leather flexibility, wool wurlanizing to attain washable woolen fabrics, and ozonolysis of fats and oils to obtain new derivatives for use in plastics and waxes.

Future Impact of Synthetics on Agricultural Markets

The basic agricultural commodities will face limited displacement as primary sources of food products in the immediate future. However, many of these commodities will be marketed as "engineered," "simulated," "fortified," or "fabricated" food products designed for specific market segments. Some examples are diet foods, enriched cereals, "meatless" meats, and convenience foods.

Agricultural products will have increased competition from synthetics in the nonfood markets. The trend in these markets is to use raw materials having relatively stable supply and price structures, specialized functional characteristics, and specific chemical and physical properties.

In several nonfood markets, further decreases can be expected in agriculture's share of the market. Examples are glycerin and drying oils. The total demand for glycerin is increasing while production of natural glycerin is declining. The demand for natural drying oil for use in paints is declining while production of paints is increasing. For glycerin, the decline of agriculture's market share is due to decreased production. For natural drying oils, the decline is due to technical changes occurring in the paint industry. Similar market changes are expected to occur in other nonfood markets as new processing techniques and new differentiated products are developed which do not require the use of agricultural raw materials.

The effect of synthetics will not be evenly distributed among the various agricultural commodities. For example, natural fibers are more susceptible to replacement than wheat flour. This is because synthetic fibers may serve the same basic functional needs as natural fibers, whereas no synthetic product has been commercially developed that functions as a complete food nutrient.

The future impact of synthetics on agricultural markets will probably depend a great deal on technological developments and changing consumer demand for food and nonfood products. However, the fact that about 75 percent of domestic agricultural marketings are for foods appears to limit the effect of synthetics on the total volume of agricultural marketings.

NUMBER AND SIZE OF ESTABLISHMENTS MANUFACTURING FARM-ORIGINATED FOODS 1/

The total number of food manufacturing establishments declined 16 percent from 1954 to 1963 (table 18). However, the total value of shipments (in 1954 dollars) by the food manufacturing industry increased 37 percent. Total employment stayed about the same.

The number of establishments declined in only 4 of the 7 individual food manufacturing industries. Decreases ranged from 15 percent in the grain mill industry to 31 percent in the dairy products industry. Increases ranged from 4 percent in fruit and vegetable industry to 22 percent in the sugar industry.

Average size of establishment, as measured by value of shipments (constant dollars), increased in every industry from 1954 to 1963. Increases ranged from 5 percent in the meat industry to 100 percent in the dairy industry. Firms have increased plant size perhaps to attain greater efficiency in production and distribution, maintain their competitive position, and utilize new technology. Part of the increase in average value of shipments per plant resulted from closing many small plants.

Employment per establishment increased in 6 of the 7 food manufacturing industries between 1954 and 1963. Increases ranged from 6 percent in the grain mill industry to 32 percent in the dairy industry. However, employment per establishment in the meat industry decreased 26 percent.

In 1963, value of shipments per employee for all industries combined was $40,000. They ranged from $18,000 per employee in the bakery industry to $85,000 per employee in the grain mill industry.

Value of shipments (in constant dollars) per employee, for all industries combined increased 38 percent from 1954 to 1963. The largest increase was in the dairy industry and the smallest in the sugar industry. The value of shipments per employee increased in every industry.

1/ Prepared by Thomas R. Van Horn, Agricultural Economist, Marketing Economics Division, Economic Research Service, USDA.

Table 18.--Number of establishments, value of shipments and employment per establishment in manufacturing farm-originated foods, industry groups, United States, 1954, 1958, and 1963

Industry and year	Total establishments	Value of shipments constant (1954) dollars		Employment	
		Total	Per establishment	Total	Per establishment
	Number	Thousand Dollars	Thousand Dollars	Number	Number
Meat 1/					
1954	3,683	11,806,391	3,206	265,191	72
1958	4,304	12,792,079	2,972	249,605	58
1963	4,333	14,554,726	3,359	229,472	53
Dairy products 2/					
1954	11,503	8,279,208	720	283,428	25
1958	9,899	9,854,472	996	294,805	30
1963	7,885	11,343,201	1,439	256,396	33
Processed fruits and vegetables 3/					
1954	2,889	3,363,013	1,164	170,178	59
1958	2,943	4,373,321	1,486	199,227	68
1963	3,017	5,559,402	1,843	207,487	69
Grain mill 4/					
1954	1,060	2,908,900	2,744	50,052	47
1958	1,046	3,270,801	3,127	47,879	46
1963	905	3,835,568	4,238	45,218	50
Bakery 5/					
1954	6,414	4,151,953	647	291,100	45
1958	6,365	4,695,951	738	302,307	47
1963	5,366	5,118,590	954	280,144	52
Sugar 6/					
1954	114	365,666	3,208	14,097	124
1958	142	537,951	3,788	17,651	124
1963	139	547,547	3,939	19,560	141
Confectionary 7/					
1954	1,434	1,034,955	722	66,799	47
1958	1,390	1,205,174	867	66,504	48
1963	1,211	1,398,569	1,155	63,643	53
All foods 8/					
1954	29,390	35,474,306	1,207	1,230,258	42
1958	28,234	41,502,410	1,470	1,282,779	45
1963	24,739	48,524,420	1,961	1,215,124	49

1/ Includes meatpacking plants and establishments specializing in prepared meat products. 2/ Includes establishments primarily engaged in processing fluid milk, creamery butter, natural cheese, concentrated milk, ice cream and ices, and special dairy products. The Bureau of the Census has stated that its coverage of fluid milk plants apparently was 85 to 90 percent complete in 1954 and 95 to 100 percent complete in 1958 and 1963. 3/ Includes establishments primarily engaged in manufacturing canned fruits and vegetables, dehydrated fruits and vegetables, pickles and sauces, and frozen fruits and vegetables. 4/ Includes establishments primarily engaged in manufacturing flour and meal, cereal products, and blended and prepared flour and in rice milling. 5/ Includes establishments primarily engaged in manufacturing biscuits and crackers, wholesale bakeries, grocery chain bakeries, house-to-house bakeries, and retail multi-outlet bakeries (excluding those with direct sales to consumers on premises). 6/ Includes establishments primarily engaged in manufacturing raw cane sugar from domestically grown sugarcane and plants mainly engaged in production of beet sugar. 7/ Includes establishments primarily engaged in manufacturing candy and other confections. 8/ Includes poultry dressing plants and establishments primarily engaged in manufacturing shortening and cooking oils, margarine, corn wet milling products, flavoring, macaroni and spaghetti, as well as industry groups shown in this table. Data for Alaska and Hawaii included since 1958.

Compiled from 1963 Census of Manufactures, MC63(2)

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Table 19.--Farm food products: Retail cost and farm value, April-June 1967, January-March 1967, April-June 1966, and 1957-59 average

Product 1/	Retail unit	Retail cost: April-June 1967	Retail cost: January-March 1967	Retail cost: April-June 1966	Retail cost: 1957-59 average	Retail cost: Percentage change April-June 1967 from- January-March 1967	Retail cost: Percentage change April-June 1967 from- April-June 1966	Net farm value 2/: April-June 1967	Net farm value 2/: January-March 1967	Net farm value 2/: April-June 1966 3/	Net farm value 2/: 1957-59 average	Net farm value 2/: Percentage change April-June 1967 from- January-March 1967	Net farm value 2/: Percentage change April-June 1967 from- April-June 1966
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Market basket	Average quantities purchased per urban wage-earner and clerical-worker household in 1960-61	1,078.04	1,084.04	1,095.17	982.65	-1	-2	407.32	3/413.80	439.02	387.87	-2	-7
Meat products		313.24	314.88	330.90	285.05	-1	-5	162.21	160.54	181.01	154.47	1	-10
Dairy products		196.46	197.33	186.12	173.33	4/	6	92.40	92.79	85.34	77.85	4/	8
Poultry and eggs		79.83	85.87	91.08	93.02	-7	-12	41.00	48.87	51.92	56.28	-16	-21
Bakery and cereal products 5/													
All ingredients		171.07	171.16	164.71	148.40	4/	4	35.95	3/36.24	35.89	30.55	-1	4/
Grain		---	---	---	---	---	---	28.13	3/27.99	27.56	23.40	1	2
All fruits and vegetables		229.89	226.82	236.09	202.96	1	-3	55.44	3/55.11	64.00	50.05	1	-13
Fresh fruits and vegetables		113.72	109.23	116.59	91.15	4	-2	35.13	3/33.29	39.63	28.70	6	-11
Fresh fruits		43.62	41.45	45.46	36.26	5	-4	12.56	3/11.22	15.68	12.26	12	-20
Fresh vegetables		70.10	67.78	71.13	54.89	3	-1	22.57	22.07	23.95	16.44	2	-6
Processed fruits and vegetables		116.17	117.59	119.50	111.81	-1	-3	20.31	3/21.82	24.37	21.35	-7	-17
Fats and oils		39.33	39.90	38.87	37.56	-1	1	11.44	11.35	12.06	11.19	1	-5
Miscellaneous products		48.22	48.08	47.40	42.33	4/	2	8.83	3/8.90	8.80	7.48	4/	1
		Cents	Cents	Cents	Cents	Percent	Percent	Cents	Cents	Cents	Cents	Percent	Percent
Beef, Choice grade	Pound	83.0	83.4	85.5	78.1	4/	-3	48.0	48.0	50.8	48.3	0	-6
Lamb, Choice grade	Pound	86.5	84.5	86.9	70.0	2	4/	48.7	42.6	46.7	40.2	14	4
Pork	Pound	66.1	67.0	72.4	60.5	-1	-9	33.6	33.3	39.9	31.0	1	-16
Butter	Pound	84.2	84.6	79.0	73.2	4/	7	60.5	60.7	58.2	52.6	4/	4
Cheese, American process	½ pound	44.1	44.4	41.5	32.3	-1	6	18.6	18.9	17.8	14.2	-2	4
Ice cream	½ gallon	82.7	83.1	78.8	84.2	-1	5	25.5	25.8	24.4	23.4	-1	5
Milk, evaporated	14½-ounce can	16.9	17.0	15.6	14.5	-1	8	8.0	8.0	7.4	6.2	0	8
Milk, fresh													
Home delivered	½ gallon	56.9	57.3	54.5	50.8	-1	4	25.1	25.2	22.7	21.9	4/	11
Sold in stores	½ gallon	51.3	51.4	48.7	46.6	4/	5	25.1	25.2	22.7	21.9	4/	11
Chickens, frying, ready-to-cook	Pound	38.1	38.1	42.4	43.5	0	-10	18.5	19.9	22.2	24.4	-7	-17
Eggs, Grade A large	Dozen	46.7	54.8	55.5	56.2	-15	-16	25.6	34.2	34.6	36.1	-25	-26
Bread, white													
All ingredients	Pound	22.6	22.7	21.8	18.5	4/	4	3.6	3/3.5	3.5	3.0	3	3
Wheat	Pound	---	---	---	---	---	---	2.9	2.9	2.8	2.4	0	4
Bread, whole or cracked wheat	Pound	29.7	29.5	28.1	---	1	6	3.4	3.4	3.3	---	0	3
Cookies, sandwich	Pound	52.0	52.0	50.5	---	0	3	4.6	4.5	4.5	---	2	2
Corn flakes	12 ounces	31.5	31.3	29.5	24.5	1	7	2.9	2.9	2.7	2.4	0	7
Flour, white	5 pounds	60.8	60.9	58.4	53.3	4/	4	22.9	3/22.8	22.5	18.8	4/	2
Apples	Pound	20.8	18.6	20.7	16.1	12	4/	6.9	6.2	8.9	4.7	11	-22
Grapefruit	Each	12.2	12.0	14.6	10.7	2	-16	1.8	1.9	3.5	2.7	-5	-49
Lemons	Pound	23.8	24.7	23.2	18.4	-4	3	6.5	6.4	6.4	4.2	2	2
Oranges	Dozen	71.3	71.8	75.7	66.0	-1	-6	12.8	13.0	17.7	23.2	-2	-28
Cabbage	Pound	11.9	12.3	12.6	8.7	-3	-6	3.5	3.9	3.3	2.4	-10	6
Carrots	Pound	15.2	15.0	17.4	14.5	1	-13	5.1	4.2	7.1	3.7	21	-28
Celery	Pound	16.2	14.8	16.0	15.3	9	1	5.5	4.0	5.6	4.4	38	-2
Cucumbers	Pound	25.0	28.6	29.2	---	-13	-14	9.1	12.6	8.1	---	-28	12
Lettuce	Head	30.4	23.1	24.2	22.6	32	26	12.5	6.8	7.9	6.0	84	58
Onions	Pound	13.8	14.5	13.6	10.1	-5	1	3.9	6.5	7.1	3.4	-40	-45
Peppers, green	Pound	41.0	38.0	41.8	---	8	-2	15.3	13.6	16.4	---	12	-7
Potatoes	10 pounds	73.3	75.8	81.5	58.3	-3	-10	19.6	23.7	24.4	17.8	-17	-20
Spinach	10 ounces	30.2	29.7	29.2	---	2	3	5.9	8.3	4.7	---	-29	26
Tomatoes	Pound	36.1	36.6	36.8	30.1	-1	-2	11.6	11.5	13.0	10.6	-1	-11
Peaches, canned	No. 2½ can	31.9	31.8	35.5	34.3	4/	-10	5.5	3/5.5	5.5	6.1	0	0
Pears, canned	No. 2½ can	43.5	43.7	49.9	---	4/	-13	7.2	7.2	12.3	---	0	-41
Beets, canned	No. 303 can	17.9	17.7	17.3	---	1	3	1.2	1.2	1.1	---	0	9
Corn, canned	No. 303 can	22.9	22.7	22.2	17.8	1	3	2.7	2.7	2.7	2.4	0	0
Peas, canned	No. 303 can	25.1	25.1	24.0	21.0	0	5	3.7	3.7	3.4	3.1	0	9
Tomatoes, canned	No. 303 can	19.4	18.9	17.7	15.6	3	10	3.3	3.3	3.4	2.3	0	-3
Orange juice, concentrate, frozen	6-ounce can	18.1	20.6	22.4	23.4	-12	-19	4.3	6.4	8.9	8.2	-33	-52
French fried potatoes, frozen	9 ounces	15.5	15.7	15.8	---	-1	-2	2.3	2.4	2.7	---	-4	-15
Peas, frozen	10 ounces	20.5	20.6	19.8	19.9	4/	4	3.5	3.5	3.5	3.2	0	0
Beans, navy	Pound	18.1	18.4	20.1	16.3	-2	-10	6.4	6.2	7.6	6.9	3	-16
Margarine	Pound	28.9	29.3	28.5	27.4	-1	1	8.4	8.2	8.9	7.8	2	-6
Peanut butter	12-ounce jar	44.6	44.8	45.1	41.4	4/	-1	14.9	15.3	15.2	14.1	-3	-2
Salad and cooking oil	Pint	39.9	40.7	38.6	---	-2	3	9.3	9.2	9.7	---	1	-4
Vegetable shortening	3 pounds	89.1	90.6	89.4	90.4	-2	4/	29.8	29.4	31.6	28.2	1	-6
Sugar	5 pounds	61.1	61.2	60.0	54.5	4/	2	22.2	3/22.2	21.7	20.2	0	2
Spaghetti with sauce, canned	15½-ounce can	16.3	16.1	15.7	---	1	4	2.1	2.1	2.1	---	0	0

1/ Product groups include more items than those listed in this table. For example, in addition to the products listed--Choice beef, lamb, and pork (major products except lard)--the meat products group includes lower grades of beef, the minor edible pork products, and veal.
2/ Gross farm value adjusted to exclude imputed value of byproducts obtained in processing.
3/ Most farm value figures for April-June 1966 have been revised; figures in other columns revised as indicated.
4/ Less than 0.5 percent.
5/ For the bakery products group and the individual wheat products, the net farm value is based on the market price of wheat received by farmers plus the cost of the marketing certificate to millers. This cost equals the value of the domestic marketing certificate received by farmers complying fully with the Wheat Program.

Table 20.--Farm food products: Farm-retail spread and farmer's share of the retail cost, April-June 1967 January-March 1967, April-June 1966, and 1957-59 average

Product 1/	Retail unit	Farm-retail spread 2/: April-June 1967	Farm-retail spread 2/: January-March 1967	Farm-retail spread 2/: April-June 1966 3/	Farm-retail spread 2/: 1957-59 average	Percentage change April-June 1967 from-: January-March 1967	Percentage change April-June 1967 from-: April-June 1966	Farmer's share: April-June 1967	Farmer's share: January-March 1967	Farmer's share: April-June 1966	Farmer's share: 1957-59 average
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent	Percent	Percent
Market basket	Average quantities purchased per urban wage-earner and clerical-worker household in 1960-61	670.72	3/670.24	656.15	594.78	4/	2	38	38	40	39
Meat products		151.03	154.34	149.89	130.58	-2	1	52	51	55	54
Dairy products		104.06	104.54	100.78	95.48	-1	3	47	47	46	45
Poultry and eggs		38.83	37.00	39.16	36.74	5	-1	51	57	57	61
Bakery and cereal products 5/											
All ingredients		135.12	3/134.92	128.82	117.85	4/	5	21	21	22	21
Grain		---	---	---	---	--	--	16	16	17	16
All fruits and vegetables		174.45	3/171.71	172.09	152.91	2	1	24	24	27	25
Fresh fruits and vegetables		78.59	3/75.94	76.96	62.45	4	2	31	3/30	34	31
Fresh fruits		31.06	3/30.23	29.78	24.00	3	4	29	27	3/34	34
Fresh vegetables		47.53	45.71	47.18	38.45	4	1	32	33	34	30
Processed fruits and vegetables		95.86	3/95.77	95.13	90.46	4/	1	17	19	20	19
Fats and oils		27.89	28.55	26.81	26.37	-2	4	29	28	31	30
Miscellaneous products		39.34	3/39.18	38.60	34.85	4/	2	18	3/19	3/19	18
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Beef, Choice grade	Pound	35.0	35.4	34.7	29.8	-1	1	58	58	3/59	62
Lamb, Choice grade	Pound	37.8	41.9	40.2	29.8	-10	-6	56	50	54	57
Pork	Pound	32.5	33.7	32.5	29.5	-4	0	51	50	55	51
Butter	Pound	23.7	23.9	20.8	20.6	-1	14	72	72	74	72
Cheese, American process	½ pound	25.5	25.5	23.7	18.1	0	8	42	43	43	44
Ice cream	½ gallon	57.2	57.3	54.4	60.8	4/	5	31	31	31	28
Milk, evaporated	14½-ounce can	8.9	9.0	8.2	8.3	-1	9	47	47	47	43
Milk, fresh											
Home delivered	½ gallon	31.8	32.1	31.8	28.9	-1	0	44	44	42	43
Sold in stores	½ gallon	26.2	26.2	26.0	24.7	0	1	49	49	47	47
Chickens, frying, ready-to-cook	Pound	19.6	18.2	20.2	19.1	8	-3	49	52	52	56
Eggs, Grade A large	Dozen	21.1	20.6	20.9	20.1	2	-1	55	62	62	64
Bread, white											
All ingredients	Pound	19.0	3/19.2	18.3	15.5	-1	4	16	3/15	3/16	16
Wheat	Pound	---	---	---	---	--	--	13	13	13	13
Bread, whole or cracked wheat	Pound	26.3	26.1	24.8	---	1	6	11	12	12	--
Cookies, sandwich	Pound	47.4	47.5	46.0	---	4/	3	9	9	9	--
Corn flakes	12 ounces	28.6	28.4	26.8	22.1	1	7	9	9	9	10
Flour, white	5 pounds	37.9	3/38.1	35.9	34.5	-1	6	38	3/37	39	35
Apples	Pound	13.9	12.4	11.8	11.4	12	18	33	33	43	29
Grapefruit	Each	10.4	10.1	11.1	8.0	3	-6	15	16	24	25
Lemons	Pound	17.3	18.3	16.8	14.2	-5	3	27	26	28	23
Oranges	Dozen	58.5	58.8	58.0	42.8	-1	1	18	18	23	35
Cabbage	Pound	8.4	8.4	9.3	6.3	0	-10	29	32	26	28
Carrots	Pound	10.1	10.8	10.3	10.8	-6	-2	34	28	41	26
Celery	Pound	10.7	10.8	10.4	10.9	-1	3	34	27	35	29
Cucumbers	Pound	15.9	16.0	21.1	---	-1	-25	36	44	28	--
Lettuce	Head	17.9	16.3	16.3	16.6	10	10	41	29	33	27
Onions	Pound	9.9	8.0	6.5	6.7	24	52	28	45	52	34
Peppers, green	Pound	25.7	24.4	25.4	---	5	1	37	36	39	--
Potatoes	10 pounds	53.7	52.1	57.1	40.5	3	-6	27	31	3/30	31
Spinach	10 ounces	24.3	21.4	24.5	---	14	-1	20	28	16	--
Tomatoes	Pound	24.5	25.1	23.8	19.5	-2	3	32	31	35	35
Peaches, canned	No. 2½ can	26.4	3/26.3	30.0	28.2	4/	-12	17	17	15	18
Pears, canned	No. 2½ can	36.3	36.5	37.6	---	-1	-3	17	16	25	--
Beets, canned	No. 303 can	16.7	16.5	16.2	---	1	3	7	7	6	--
Corn, canned	No. 303 can	20.2	20.0	19.5	15.4	1	4	12	12	12	13
Peas, canned	No. 303 can	21.4	21.4	20.6	17.9	0	4	15	15	14	15
Tomatoes, canned	No. 303 can	16.1	15.6	14.3	13.3	3	13	17	17	19	15
Orange juice, concentrate, frozen	6-ounce can	13.8	14.2	13.5	15.2	-3	2	24	31	40	35
French fried potatoes, frozen	9 ounces	13.2	13.3	13.1	---	-1	1	15	15	3/17	--
Peas, frozen	10 ounces	17.0	17.1	16.3	16.7	-1	4	17	17	18	16
Beans, navy	Pound	11.7	12.2	12.5	9.4	-4	-6	35	34	38	42
Margarine	Pound	20.5	21.1	19.6	19.6	-3	5	29	28	3/31	28
Peanut butter	12-ounce jar	29.7	29.5	29.9	27.3	1	-1	33	34	34	34
Salad and cooking oil	Pint	30.6	31.5	28.9	---	-3	6	23	23	25	--
Vegetable shortening	3 pounds	59.3	61.2	57.8	62.2	-3	3	33	32	35	31
Sugar	5 pounds	38.9	3/39.0	38.3	34.3	4/	2	36	36	36	37
Spaghetti with sauce, canned	15½-ounce can	14.2	14.0	13.6	---	1	4	13	13	13	--

1/ Product groups include more items than those listed in this table. For example, in addition to the products listed--Choice beef, lamb, and pork (major products except lard)--the meat products group includes lower grades of beef, the minor edible pork products, and veal.
2/ The farm-retail spread is the difference between the retail cost and the net farm value shown in table on opposite page.
3/ Most farm-retail spread figures for April-June 1966 have been revised; figures in other columns revised as indicated.
4/ Less than 0.5 percent.
5/ For the bakery products group and the individual wheat products, the farmer's share is based on the market price of wheat received by farmers plus the cost of the marketing certificate to millers. This cost equals the value of the domestic marketing certificate received by farmers complying fully with the Wheat Program.

Table 21.--Farm food products: Retail cost, farm value of equivalent quantities sold by producers, byproduct allowance, farm-retail spread, and farmer's share of retail cost, April-June 1967

Product 1/	Farm equivalent	Retail unit	Retail cost	Gross farm value	Byproduct allowance	Net farm value 2/	Farm-retail spread	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket	Farm produce equivalent to products bought per urban wage-earner and clerical-worker household in 1960-61	Average quantities purchased per urban wage-earner and clerical-worker household in 1960-61	1,078.04	---	---	407.32	670.72	38
Meat products			313.24	---	---	162.21	151.03	52
Dairy products			196.46	---	---	92.40	104.06	47
Poultry and eggs			79.83	---	---	41.00	38.83	51
Bakery and cereal products 3/								
All ingredients			171.07	---	---	35.95	135.12	21
Grain			---	33.96	5.83	28.13	---	16
All fruits and vegetables			229.89	---	---	55.44	174.45	24
Fresh fruits and vegetables			113.72	---	---	35.13	78.59	31
Fresh fruits			43.62	---	---	12.56	31.06	29
Fresh vegetables			70.10	---	---	22.57	47.53	32
Processed fruits and vegetables			116.17	---	---	20.31	95.86	17
Fats and oils			39.33	---	---	11.44	27.89	29
Miscellaneous products			48.22	---	---	8.88	39.34	18
			Cents	Cents	Cents	Cents	Cents	Percent
Beef, Choice grade	2.25 lb. Choice grade cattle	Pound	83.0	53.0	5.0	48.0	35.0	58
Lamb, Choice grade	2.33 lb. lamb	Pound	86.5	54.9	6.2	48.7	37.8	56
Pork	2.00 lb. hogs	Pound	66.1	38.5	4.9	33.6	32.5	51
Butter	Cream and whole milk	Pound	84.2	---	---	60.5	23.7	72
Cheese, American process	Milk for American cheese	½ pound	44.1	---	---	18.6	25.5	42
Ice cream	Cream, milk, and sugar	½ gallon	82.7	---	---	25.5	57.2	31
Milk, evaporated	Milk for evaporating	14½-ounce can	16.9	---	---	8.0	8.9	47
Milk, fresh								
Home delivered	4.39 lb. Class I milk	½ gallon	56.9	---	---	25.1	31.8	44
Sold in stores	4.39 lb. Class I milk	½ gallon	51.3	---	---	25.1	26.2	49
Chickens, frying, ready-to-cook	1.37 lb. broiler	Pound	38.1	---	---	18.5	19.6	49
Eggs, Grade A large	1.03 dozen	Dozen	46.7	---	---	25.6	21.1	55
Bread, white								
All ingredients	Wheat and other ingredients	Pound	22.6	---	---	3.6	19.0	16
Wheat	.877 lb. wheat	Pound	---	3.3	.4	2.9	---	13
Bread, whole or cracked wheat	.708 lb. wheat	Pound	29.7	---	---	3.4	26.3	11
Cookies, sandwich	.528 lb. wheat	Pound	52.0	---	---	4.6	47.4	9
Corn flakes	2.87 lb. yellow corn	12 ounces	31.5	4/6.6	4/3.7	4/2.9	28.6	9
Flour, white	6.8 lb. wheat	5 pounds	60.8	26.1	3.2	22.9	37.9	38
Apples	1.04 lb. apples	Pound	20.8	---	---	6.9	13.9	33
Grapefruit	1.03 grapefruit	Each	12.2	---	---	1.8	10.4	15
Lemons	1.04 lb. lemons	Pound	23.8	---	---	6.5	17.3	27
Oranges	1.03 doz. oranges	Dozen	71.3	---	---	12.8	58.5	18
Cabbage	1.08 lb. cabbage	Pound	11.9	---	---	3.5	8.4	29
Carrots	1.03 lb. carrots	Pound	15.2	---	---	5.1	10.1	34
Celery	1.08 lb. celery	Pound	16.2	---	---	5.5	10.7	34
Cucumbers	1.09 lb. cucumbers	Pound	25.0	---	---	9.1	15.9	36
Lettuce	1.88 lb. lettuce	Head	30.4	---	---	12.5	17.9	41
Onions	1.06 lb. onions	Pound	13.8	---	---	3.9	9.9	28
Peppers, green	1.09 lb. peppers	Pound	41.0	---	---	15.3	25.7	37
Potatoes	10.42 lb. potatoes	10 pounds	73.3	---	---	19.6	53.7	27
Spinach	.71 lb. spinach	10 ounces	30.2	---	---	5.9	24.3	20
Tomatoes	1.18 lb. tomatoes	Pound	36.1	---	---	11.6	24.5	32
Peaches, canned	1.60 lb. Calif. cling peaches	No. 2½ can	31.9	---	---	5.5	26.4	17
Pears, canned	1.85 lb. pears for canning	No. 2½ can	43.5	---	---	7.2	36.3	17
Beets, canned	1.24 lb. beets for canning	No. 303 can	17.9	---	---	1.2	16.7	7
Corn, canned	2.495 lb. sweet corn	No. 303 can	22.9	---	---	2.7	20.2	12
Peas, canned	.69 lb. peas for canning	No. 303 can	25.1	---	---	3.7	21.4	15
Tomatoes, canned	1.84 lb. tomatoes for canning	No. 303 can	19.4	---	---	3.3	16.1	17
Orange juice, concentrate, frozen	3.19 lb. oranges	6-ounce can	18.1	---	---	4.3	13.8	24
French fried potatoes, frozen	1.38 lb. potatoes	9 ounces	15.5	---	---	2.3	13.2	15
Peas, frozen	.70 lb. peas for freezing	10 ounces	20.5	---	---	3.5	17.0	17
Beans, navy	1.00 lb. Mich. dry beans	Pound	18.1	---	---	6.4	11.7	35
Margarine	Soybeans, cottonseed, and milk	Pound	28.9	---	---	8.4	20.5	29
Peanut butter	1.33 lb. peanuts	12-ounce jar	44.6	---	---	14.9	29.7	33
Salad and cooking oil	Soybeans, cottonseed, and corn	Pint	39.9	---	---	9.3	30.6	23
Vegetable shortening	Soybeans and cottonseed	3 pounds	89.1	---	---	29.8	59.3	33
Sugar	Sugar beets and cane	5 pounds	61.1	23.6	1.4	5/22.2	5/38.9	36
Spaghetti with sauce, canned	Wheat, tomatoes, cheese, sugar	15½-ounce can	16.3	---	---	2.1	14.2	13

1/ Product groups include more items than those listed in this table. For example, in addition to the products listed--Choice beef, lamb, and pork (major products except lard)--the meat products group includes lower grades of beef, the minor edible pork products, and veal.
2/ Gross farm value adjusted to exclude imputed values of byproducts obtained in processing.
3/ For the bakery products group and the individual wheat products, gross farm value, byproduct allowance, net farm value, and farmer's share are based on the market price of wheat received by farmers plus the cost of the marketing certificate to millers. This cost equals the value of the domestic marketing certificate received by farmers complying fully with the Wheat Program.
4/ Based on market price of corn received by farmers; no allowance made for price support payment received by farmers who comply with the Federal Feed Grain Program.
5/ Net farm value adjusted for Government payments to producers was 25.9 cents, farm-retail spread adjusted for Government processor tax was 36.2 cents, farmer's share of retail cost based on adjusted farm value was 42 percent.

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